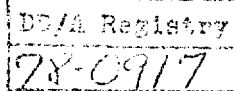


6 March 1978



MEMORANDUM FOR: See Distribution

25X1 FROM:

Office of Legislative Counsel

SUBJECT: H.R. 10691, the International Development Cooperation Act

Tracey Cole, of OMB, informed me late Friday afternoon that she had inadvertently forgotten to ask CIA for its comments on H.R. 10691, the International Development Cooperation Act of 1978, which would make major changes in the foreign economic aid program. Although she apologized for the oversight, she asked that we hand in our comments by COB 10 March 1978. (This is what is known as chutzpah.) I would appreciate having your comments by COB 9 March 1978. Based on my quick review of the bill, the following comments regarding several troubling sections may be helpful:

nl
1. Section 792 on page 160 would repeal the Foreign Assistance Act of 1961, but not as amended. Since the companion bill in the Senate, S. 2420, repeals the Act as amended, we believe the omission in the House version was unintentional. In effect then, the draft legislation would appear to repeal the Hughes-Ryan amendment (section 662). The question is, do we engage in any of the activities or programs covered by the bill? In other words, if a provision of this bill constitutes the sole authority--by its specific language--for a certain activity, and if we engage in such activity, then we would seem to fall within any reporting or possibly other requirements applicable to that activity. Also, if we engage in a particular activity authorized in this legislation, and if we would report it now except for the confidential nature of the activity, then arguably we would be subject to applicable requirements made applicable by this bill. Most of the specific provisions in the bill, however, are couched in terms of activities pursuant "to this Act" without mandating that such activity or activities may be conducted only under authority of this Act.

nl
2. Section 781(a)(3), however, requires that an annual report be made to Congress covering the status of each loan of each sale of defense articles made under this Act or any other Act authorizing international security assistance. What problems do you foresee with this provision? Please review other provisions and advise if Agency activities fall within their purview.

DL 8 8744

3. Section 703(f) on page 109 provides that an AID employee who is participating in the Foreign Service retirement system may have his annuity computed on the so-called "high-one" instead of the highest three consecutive years. Bob Hull, at the State Department, says that State is considering submitting an amendment that would broaden the provision to include the Foreign Service. Do we want to submit an amendment asking that all CIA employees, including personnel covered by CIARDS, be included? of

I would appreciate any comments you may have on any other sections of the bill.



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